



0000202170

## BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

ROBERT "BOB" BURNS - Chairman  
 BOYD DUNN  
 SANDRA D. KENNEDY  
 JUSTIN OLSON  
 LEA MÁRQUEZ PETERSON

Arizona Corporation Commission

DOCKETED

OCT -2 2020

DOCKETED BY

KL

In the matter of )

AURORATEK INCORPORATED, a )  
Nevada corporation, )

WILLIAM ALEK, an individual, and )

AURORA ELLEGION, a.k.a. Aurora Light, )  
an individual, )

Respondents. )

DOCKET NO. S-21117A-20-0268

DECISION NO. 77725

**ORDER TO CEASE AND DESIST, ORDER  
 FOR RESTITUTION, ORDER FOR  
 ADMINISTRATIVE PENALTIES AND  
 CONSENT TO SAME**

**BY: ALL RESPONDENTS**

Respondents AuroraTek Incorporated, William Alek and Aurora Ellegion (collectively, "Respondents") elect to permanently waive any right to a hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act") with respect to this Order to Cease And Desist, Order for Restitution, Order for Administrative Penalties, and Consent to Same ("Order"). Respondents admit the jurisdiction of the Arizona Corporation Commission ("Commission"); admit only for purposes of this proceeding and any other proceeding in which the Commission is a party the Findings of Fact and Conclusions of Law contained in this Order; and consent to the entry of this Order by the Commission.

**I.****FINDINGS OF FACT**

1. AuroraTek Incorporated is a Nevada corporation located in Scottsdale, Arizona. It was formed in Nevada in 2013 and registered to do business in Arizona in 2014.

2. AuroraTek's corporate filings in Nevada list Alek as AuroraTek's President, Treasurer, and Director; Ellegion is listed as its Secretary.

3. Documents provided to investors and offerees describe Ellegion as AuroraTek's Vice President of Investor Relations and Special Projects and Alek as AuroraTek's President and CEO. Alek's and Ellegion's AuroraTek business cards add that Alek is Chief Technology Officer and that Ellegion is Vice President, Investor Relations and Sales.

4. AuroraTek effectively takes all its actions through Alek and Ellegion. They are AuroraTek's only significant employees. And the actions of Alek and Ellegion described in this Order were taken on behalf of AuroraTek.

5. AuroraTek describes itself as having "Simply the most transformational technology on Planet Earth." It sells some products that it calls "BioTech." But it generates little revenue from these products. Its primary operations are the development of alternative energy. And these operations are primarily funded by selling stock to investors.

6. AuroraTek represents that it seeks capital from investors that "will be used to complete our patent process, finish product development, secure manufacturers and pursue sales and marketing opportunities both domestic and overseas. Promissory Note or Shares of Stock are available in exchange."

7. The products being developed and the opportunities to invest are promoted on AuroraTek's websites, during in-person presentations and meetings, and in materials given to potential offerees and investors.

8. During the times relevant to this Order, AuroraTek operated four websites, including [www.auroratek.us](http://www.auroratek.us) and [www.fastgrowhemp.com](http://www.fastgrowhemp.com) that included pages and links titled: Investment, Investor Information, Fast Pitch, Finder's Fee Agreement and Private Stock Purchase Agreement.

9. On the "Investment" pages on [www.fastgrowhemp.com](http://www.fastgrowhemp.com) and [www.auroratek.us](http://www.auroratek.us), AuroraTek invited investors to "Invest in a Golden Age Technology Company." Those pages stated that AuroraTek has "Discovered and Pioneered Access to Clean, Bio-Friendly and Infinite Source of

1 NEW Energy.” They went on to state that it is “Providing this Source of Energy to YOU in a Variety  
2 of Products Made in OUR Factory Located in the USA.”

3 10. Those pages also sought investments, saying that “AuroraTek offers an Investment  
4 Opportunity that NO Other Company Offers.” The site encouraged investors to call a phone number  
5 with area code 480 and to visit AuroraTek.us to find out how to invest in AuroraTek.

6 11. The investment pages invited visitors to download the company “Fast Pitch  
7 Presentation” (“Fast Pitch”). The Fast Pitch stated that AuroraTek has a team of six persons, Alek,  
8 Ellegion and four others—though the four others do not appear to have made any significant  
9 contributions to the company other than investing. The Fast Pitch described AuroraTek as having  
10 “Raised over \$500,000 in Seed Capital Invested since 2013” and included a summary of stock  
11 ownership where investors have 400,000 shares, other “individual minority investors” have less than  
12 10% of the 1,000,000 authorized shares, Alek owns 29.75% of the company, and Ellegion owns  
13 21.58%.

14 12. The Fast Pitch further stated that for more than 15 years, AuroraTek had “prototyped  
15 hardware and developed the components of its off-grid battery powered Energy Management System  
16 (EMS) called SmartPAK<sub>TM</sub>/SRT<sub>TM</sub>.” AuroraTek described these technologies and their uses in the  
17 present tense, i.e. describing it as if the technology is currently being used in products.

18 13. The final page of the Fast Pitch stated that AuroraTek is “Destined to be the Most  
19 Advanced Global Company on Earth!” It then stated that “This \$400 million raise we are offering to  
20 our Angel Investment Group shall yield a highly profitable sale of products and provide the consumer  
21 with the latest science has to offer.” It provided the reader with a phone number with a 480 area code,  
22 links its four websites, and direct email addresses for Alek and Ellegion.

23 14. From 2014 through 2019, AuroraTek also promoted its products and investment  
24 opportunities at booths, seminar presentations, or both, at several conferences, including the Arizona  
25 Prepper Fest, Starship Congress, the Alien Snow Fest, the ExtraOrdinary Technology Conference  
26

1 and the Conference on Future Technologies. (It also provided links to videos of several of these  
2 presentations in the Fast Pitch.)

3 15. AuroraTek explained that the purpose of attending these conferences is to introduce  
4 its technology and fund its development.

5 16. During presentations and at booths at these conferences, AuroraTek would distribute  
6 and present materials to offerees and investors. It would also obtain names and contact information  
7 from attendees then send those persons materials about AuroraTek products and investing in  
8 AuroraTek. These materials include the Fast Pitch described above.

9 17. The materials also include brochures and slides from the presentations. In one of these,  
10 AuroraTek describes itself as “destined to be the most advanced global company on earth” followed  
11 by this statement: “I want to INVEST in a Company that has REAL Growth Potential! AuroraTek is  
12 the Answer!” The investment materials go on to describe AuroraTek as being “dedicated to bring  
13 forth advance [sic] and exotic Anti-Gravity and FREE Energy Self-Sustaining Technologies to the  
14 world.” It later lists products, including pictures of scooters above a caption that says that for more  
15 than 20 years of research and development, “AuroraTek prototyped proprietary and patented  
16 hardware and software for its battery-powered Energy Management System (EMS) called  
17 SmartPAK<sub>TM</sub>.” Once again, the hardware and software were described in the present tense as if they  
18 were currently in use and there was no indication that the scooters pictured were not being  
19 manufactured by AuroraTek at the time.

20 18. In August 2018, Alek gave a presentation at the ExtraOrdinary Technology  
21 Conference in New Mexico. During this presentation, Alek claimed that AuroraTek had developed a  
22 “Free Energy Transformer” that generates self-replenishing electricity. During the last 15 minutes of  
23 the presentation, Alek offered shares of AuroraTek stock for sale to the attendees.

24 19. After this presentation, an investor met with Alek and Ellegion to discuss investing in  
25 AuroraTek stock. Alek and Ellegion told this investor that:

26 a. Alek would finish the Free Energy Transformer by the end of 2018;

- b. AuroraTek would be producing the Free Energy Transformer by the first quarter of 2019;
- c. After his investment, AuroraTek would not authorize more \$1.00/share stock beyond the 1,000,000 authorized at the time;
- d. AuroraTek needed only \$50,000 to finish the Free Energy Transformer;
- e. AuroraTek had a factory in the U.S.; and
- f. The investor would receive a 10% finder's fee if he got someone he knew to invest in AuroraTek.

20. Based on these representations, in August 2018, the investor purchased 60,000 AuroraTek shares for \$50,000. He received a stock certificate for his purchase.

21. In April 2019, the investor traveled to Arizona to meet with Respondents. There he learned that AuroraTek's address listed on their site is a UPS store, that AuroraTek assembles its products and conducts business in Alek and Ellegion's Scottsdale residence (i.e. that it does not have a factory), and that the Free Energy Transformer was still not being produced. It was also later discovered that a significant portion of the investor's funds had gone towards the rent on Alek and Ellegion's residence and that AuroraTek would need more than the investor's \$50,000 to continue its business.

22. In August 2019, a staff member of the New Mexico Regulation and Licensing Department Securities Division attended the ExtraOrdinary Technology Conference in Albuquerque. The staff member located AuroraTek's table and found a placard with the words "I want to invest in a company that has real growth potential! AuroraTek is the answer. AuroraTek offers an investment opportunity that NO other company offers." The placard had contact information for learning more about investing and the web address auroratek.us.

23. Alek spoke with the staff member and told him that AuroraTek had developed a device called the "Free Energy Transformer" that is producing free energy much like a perpetual motion machine and that it is working on getting the Free Energy Transformer into production. Alek

1 did not disclose that a year earlier he had told an offeree and investor that the Free Energy  
2 Transformer would be finished by the end of 2018 and that AuroraTek had then only needed \$50,000  
3 to complete its development.

4 24. Alek told the staff member that AuroraTek shares could be purchased for less than  
5 \$1/share and that AuroraTek pays a commission to investors who find other investors. Alek also said  
6 that he anticipated that in the near future AuroraTek would have a big investor and when that occurs  
7 AuroraTek will buy back stock for \$4/share. Alek told the staff member that if he was interested in  
8 investing to write his contact information on the sign-up sheet and Ellegion would call and send an  
9 email about the investment opportunity.

10 25. In addition to promotions of investments through its website and at conferences,  
11 described above, AuroraTek found investors through Respondents' and investors' friends and  
12 acquaintances.

13 26. In meetings between Ellegion and friends and acquaintances, Ellegion told several  
14 offerees and investors they would receive returns on their investments within a short time. She told  
15 others that AuroraTek would "go public" greatly increasing the value of the stock. Not only did  
16 Ellegion fail to disclose risks associated with investing in a start-up company that had no ready  
17 market to sell its private stock, she told at least one investor that there was no risk and the investor  
18 could always sell her shares.

19 27. AuroraTek also found investors by offering a fee for bringing in new investors.

20 28. In total, from September 2013 through 2019, AuroraTek offered and sold stock to at  
21 least 128 persons in 277 transactions for a total of \$742,420.

22 29. Investors paid for their stock by cash, check and wire to AuroraTek.

23 30. In exchange for their investment, several investors received stock certificates issued  
24 by AuroraTek. Others simply had had their names and share amounts recorded by AuroraTek.

25 31. Significant portions of these investor funds went towards Alek's and Ellegion's living  
26 expenses, rent, food and retail purchases.

32. Several investors purchased stock with the reasonable expectation that their stock would not be diluted, only to have AuroraTek increase the amount of authorized stock later. When AuroraTek was first formed on November 25, 2013, it was authorized to sell 200,000 shares of stock. Through amendments to its articles of organization, it increased its number of authorized shares including an August 31, 2016 amendment increasing the authorized shares to 1,000,000 and a February 21, 2019 amendment increasing the shares to 3,000,000. Prior to each of these amendments, AuroraTek had issued significant numbers of shares. Thus, the amendments changed the amount of total stock that could be sold as represented to investors when they bought their shares and diluting those already-issued shares.

## II.

### CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

2. Respondents offered or sold securities within or from Arizona, within the meaning of A.R.S. §§ 44-1801(16), 44-1801(22), and 44-1801(27).

3. Respondents violated A.R.S. § 44-1841 by offering or selling securities that were neither registered nor exempt from registration.

4. Respondents violated A.R.S. § 44-1842 by offering or selling securities while neither registered as a dealer or salesman nor exempt from registration.

5. Respondents violated A.R.S. § 44-1991 by making untrue statements or misleading omissions of material facts.

6. Respondents' conduct is grounds for a cease and desist order pursuant to A.R.S. § 44-2032.

7. Respondents' conduct is grounds for an order of restitution pursuant to A.R.S. § 44-2032.

8. Respondents' conduct is grounds for administrative penalties under A.R.S. § 44-2036.

9. Respondents Alek and Ellegion directly or indirectly controlled AuroraTek within the meaning of A.R.S. § 44-1999. Therefore, they are jointly and severally liable under A.R.S. § 44-1999 to the same extent as AuroraTek for any violations of A.R.S. § 44-1991.

### III.

## ORDER

THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondents consent to the entry of this Order, attached and incorporated by reference, the Commission finds that the following relief is appropriate, in the public interest, and necessary for the protection of investors:

IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondents, and any of Respondents' agents, employees, successors and assigns, permanently cease and desist from violating the Securities Act.

IT IS FURTHER ORDERED that Respondents comply with the attached Consent to Entry of Order.

IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that Respondents jointly and severally pay restitution to the Commission in the principal amount of \$742,420 as a result of the conduct set forth in the Findings of Fact and Conclusions of Law. Payment is due in full on December 31, 2020. Payment shall be made to the "State of Arizona" to be placed in an interest-bearing account controlled by the Commission. Any principal amount that is still outstanding on December 31, 2020, shall accrue interest at the rate of ten percent per annum from the date of purchase until the date of this Order.

The restitution ordered is subject to the offsets described in Commission Rule R14-4-308, namely, payments of principal and interest to investors. If Respondents make payments to the investors described in this order, Respondents may submit evidence of such payments to substantiate the payments. The Securities Division, in its sole discretion, will determine whether the submitted evidence establishes payment. If the payments are established, the Securities Division will apply such payments as offsets to the restitution ordered.

1 IT IS FURTHER ORDERED that if the restitution payment ordered in the preceding  
2 paragraphs is not made or offset by December 31, 2020, the outstanding restitution ordered in the  
3 preceding paragraph will accrue interest, as of the date of this Order, at the rate of the lesser of (i) ten  
4 percent per annum or (ii) at a rate per annum that is equal to one per cent plus the prime rate as  
5 published by the board of governors of the federal reserve system in statistical release H. 15 or any  
6 publication that may supersede it on the date that the judgment is entered.

7 The Commission shall disburse the funds on a pro-rata basis to investors shown on the records  
8 of the Commission. Any restitution funds that the Commission cannot disburse because an investor  
9 refuses to accept such payment, or any restitution funds that cannot be disbursed to an investor  
10 because the investor is deceased shall be disbursed on a pro-rata basis to the remaining investors  
11 shown on the records of the Commission. Any funds that the Commission determines it is unable to  
12 or cannot feasibly disburse shall be transferred to the general fund of the state of Arizona.

13 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondents shall, jointly  
14 and severally pay an administrative penalty in the amount of \$50,000 as a result of the conduct set  
15 forth in the Findings of Fact and Conclusions of Law. Payment is due in full on December 31, 2020.  
16 Payment shall be made to the "State of Arizona." Any amount outstanding shall accrue interest as  
17 allowed by law.

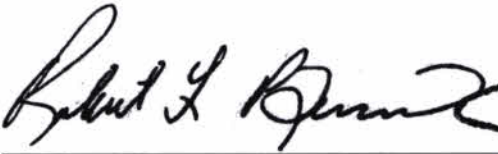
18 IT IS FURTHER ORDERED that payments received by the state of Arizona shall first be  
19 applied to the restitution obligation. Upon payment in full of the restitution obligation, payments  
20 shall be applied to the penalty obligation.

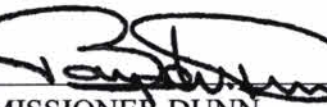
21 For purposes of this Order, a bankruptcy filing by Respondents shall be an act of default. If  
22 Respondents do not comply with this Order, any outstanding balance may be deemed in default and  
23 shall be immediately due and payable.

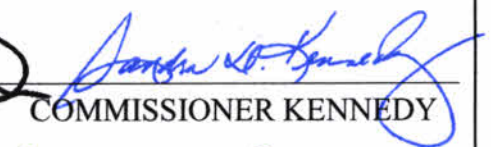
24 IT IS FURTHER ORDERED, that if Respondents fail to comply with this order, the  
25 Commission may bring further legal proceedings against Respondents, including application to the  
26 superior court for an order of contempt.

IT IS FURTHER ORDERED that this Order shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

  
CHAIRMAN BURNS

  
COMMISSIONER DUNN

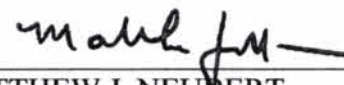
  
COMMISSIONER KENNEDY

  
COMMISSIONER OLSON

  
COMMISSIONER MARQUEZ PETERSON



IN WITNESS WHEREOF, I, MATTHEW J. NEUBERT, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 2<sup>nd</sup> day of October 2020.

  
MATTHEW J. NEUBERT  
EXECUTIVE DIRECTOR

DISSENT

DISSENT

This document is available in alternative formats by contacting Carolyn D. Buck, ADA Coordinator, voice phone number (602) 542-3931, e-mail [cdbuck@azcc.gov](mailto:cdbuck@azcc.gov).

(RJM)

**CONSENT TO ENTRY OF ORDER**

1  
2           1.       Respondents admit the jurisdiction of the Commission over the subject matter of this  
3 proceeding. Respondents acknowledge that they have been fully advised of their right to a hearing to  
4 present evidence and call witnesses and they knowingly and voluntarily waive any and all rights to a  
5 hearing before the Commission and all other rights otherwise available under Article 11 of the  
6 Securities Act and Title 14 of the Arizona Administrative Code. Respondents acknowledge that this  
7 Order constitutes a valid final order of the Commission.

8           2.       Respondents knowingly and voluntarily waive any right under Article 12 of the  
9 Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief resulting  
10 from the entry of this Order.

11           3.       Respondents acknowledge and agree that this Order is entered into freely and  
12 voluntarily and that no promise was made or coercion used to induce such entry.

13           4.       Respondents understand and acknowledge that they have a right to seek counsel  
14 regarding this Order, and that they have had the opportunity to seek counsel prior to signing this  
15 Order. Respondents acknowledge and agree that, despite the foregoing, they freely and voluntarily  
16 waive any and all right to consult or obtain counsel prior to signing this Order.

17           5.       Respondents admit only for purposes of this proceeding and any other proceeding in  
18 which the Commission is a party the Findings of Fact and Conclusions of Law contained in this  
19 Order. Respondents agree that they will not contest the validity of the Findings of Fact and  
20 Conclusions of Law contained in this Order in any present or future proceeding in which the  
21 Commission is a party.

22           6.       Respondents further agree that they will not deny or contest the Findings of Fact and  
23 Conclusions of Law contained in this Order in any present or future: (a) bankruptcy proceeding, or  
24 (b) non-criminal proceeding in which the Commission is a party (collectively, "proceeding(s)").  
25 They further agree that in any such proceedings, the Findings of Fact and Conclusions of Law  
26 contained in this Order may be taken as true and correct and that this Order shall collaterally estop

1 them from re-litigating with the Commission or any other state agency, in any forum, the accuracy  
2 of the Findings of Fact and Conclusions of Law contained in this Order. In the event any Respondent  
3 pursues bankruptcy protection in the future, Respondents further agree that in such bankruptcy  
4 proceeding, pursuant to 11 U.S.C. § 523(a)(19), the following circumstances exist:

5       A.     The obligations incurred as a result of this Order are a result of the conduct set forth  
6 in the Findings of Fact and Conclusions of Law in the Order and are for the violation of Arizona  
7 state securities laws, pursuant to 11 U.S.C. § 523(a)(19)(A)(i);

8       B.     This Order constitutes a judgment, order, consent order, or decree entered in a state  
9 proceeding pursuant to 11 U.S.C. § 523(a)(19)(B)(i), a settlement agreement entered into by  
10 Respondents pursuant to 11 U.S.C. § 523(a)(19)(B)(ii), and a court order for damages, fine, penalty,  
11 citation, restitution payment, disgorgement payment, attorney fee, cost or other payment owed by  
12 Respondents pursuant to 11 U.S.C. § 523(a)(19)(B)(iii).

13       7.     By consenting to the entry of this Order, Respondents agree not to take any action or  
14 to make, or permit to be made, any public statement denying, directly or indirectly, any Finding of  
15 Fact or Conclusion of Law in this Order or creating the impression that this Order is without factual  
16 basis.

17       8.     While this Order settles this administrative matter between Respondents and the  
18 Commission, Respondents understand that this Order does not preclude the Commission from  
19 instituting other administrative or civil proceedings based on violations that are not addressed by this  
20 Order.

21       9.     Respondents understand that this Order does not preclude the Commission from  
22 referring this matter to any governmental agency for administrative, civil, or criminal proceedings  
23 that may be related to the matters addressed by this Order.

24       10.    Respondents understand that this Order does not preclude any other agency or officer  
25 of the state of Arizona or its subdivisions from instituting administrative, civil, or criminal  
26 proceedings that may be related to matters addressed by this Order.

11. Respondents agree that they will not apply to the state of Arizona for registration as a securities dealer or salesman or for licensure as an investment adviser or investment adviser representative until such time as all restitution and penalties under this Order are paid in full.

12. Respondents agree that they will not exercise any control over any entity that offers or sells securities or provides investment advisory services within or from Arizona until such time as all restitution and penalties under this Order are paid in full.

13. Respondents consent to the entry of this Order and agree to be fully bound by its terms and conditions.

14. Respondents acknowledge and understand that if they fail to comply with the provisions of the order and this consent, the Commission may bring further legal proceedings against Respondents, including application to the superior court for an order of contempt.

15. Respondents understand that default shall render them liable to the Commission for its costs of collection, including reasonable attorneys' fees and interest at the maximum legal rate.

16. Respondents agree and understand that if they fail to make any payment as required in the Order, any outstanding balance shall be in default and shall be immediately due and payable without notice or demand. Respondents agree and understand that acceptance of any partial or late payment by the Commission is not a waiver of default by the Commission.

17. **William Alek** represents that he is the President of AuroraTek and is authorized to enter into this Order on its behalf.

[Signature page is below]

Signature page for all Respondents

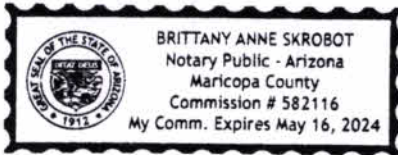
William Alek

Aurora Ellegion

STATE OF ARIZONA )

County of )

SUBSCRIBED AND SWORN TO BEFORE me this 15<sup>th</sup> day of September, 2020.



*[Signature]*  
NOTARY PUBLIC

My commission expires:

May 16, 2024

AURORATEK INCORPORATED, a Nevada corporation

By: William Alek

Its: President

STATE OF ARIZONA )

County of )

SUBSCRIBED AND SWORN TO BEFORE me this 15<sup>th</sup> day of September, 2020.



*[Signature]*  
NOTARY PUBLIC

My commission expires:

May 16, 2024

SERVICE LIST FOR: AuroraTek Inc., *et al.*

AuroraTek Incorporated  
William Alek  
Aurora Ellegion  
10645 N. Tatum Blvd.  
Ste C200-436  
Phoenix, AZ 85028

*Respondents*